



# Strategy 2025

Virtual Analyst and Investor Conference  
30 March 2023

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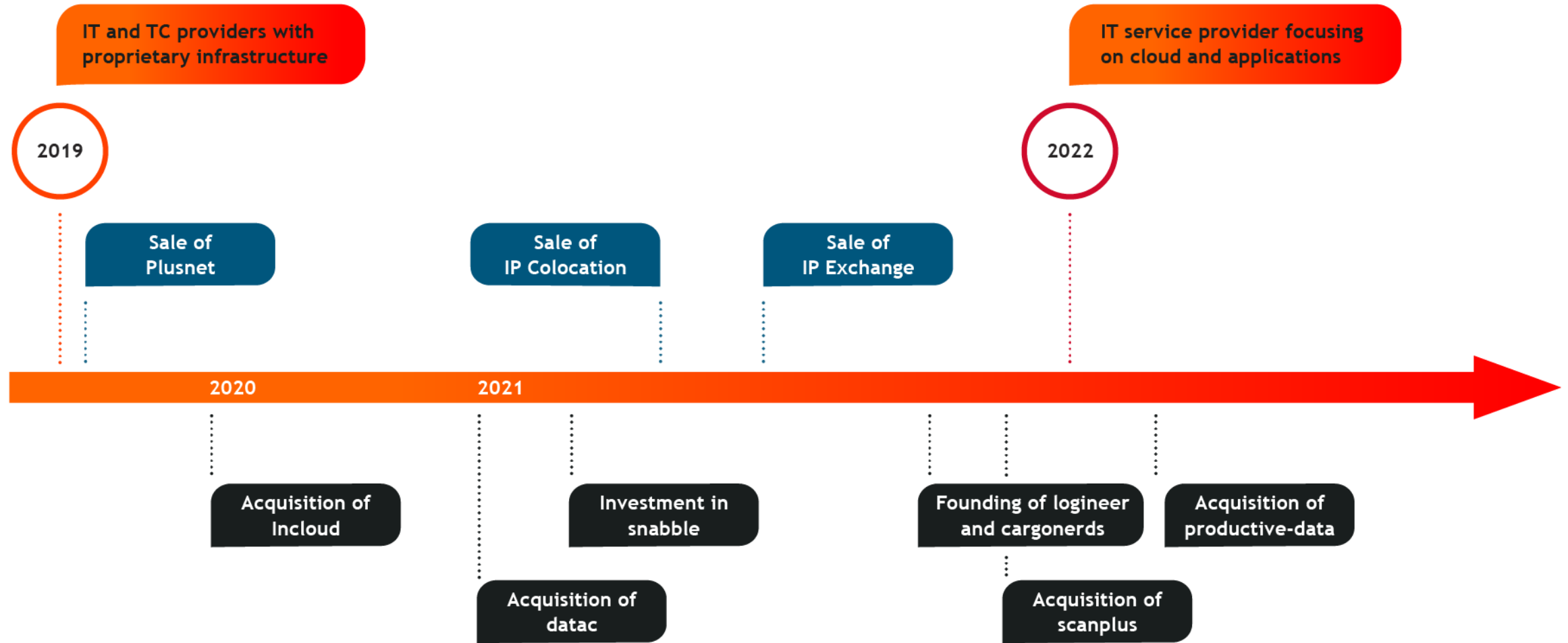
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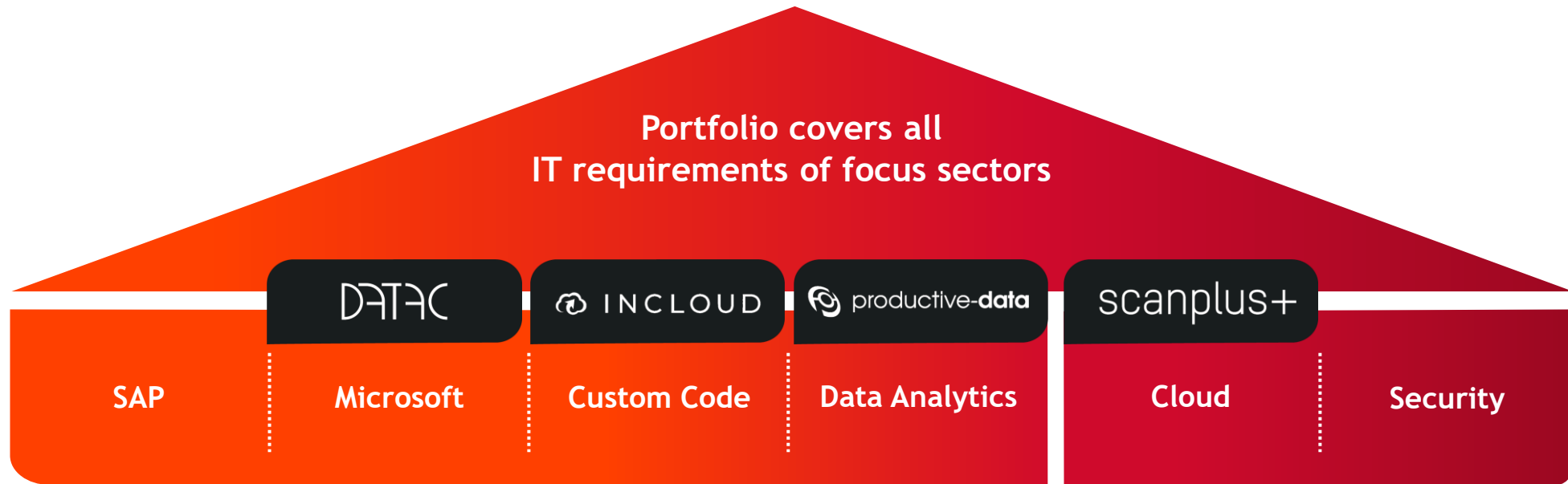


# Strategy 2025: Focus on profitability

# Transformation into IT service provider now complete



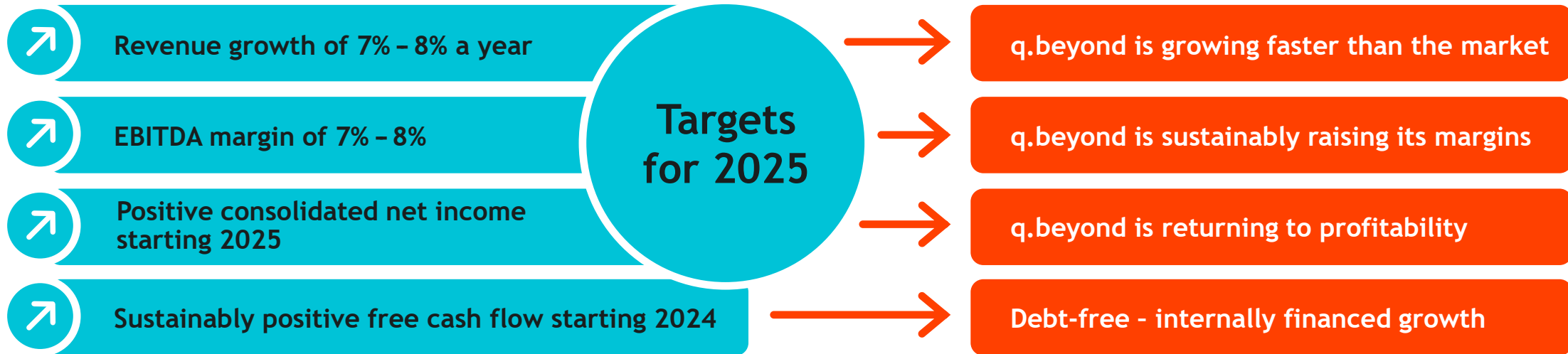
# q.beyond's portfolio is superbly positioned



APPLICATIONS



# Strategy 2025: Focus on higher earnings and financial strength



## Three strategic priorities



# Agenda

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1. Review of 2022: Revenue growth in difficult environment Nora Wolters, CFO

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2. Outlook for 2023: Basis for higher earnings and financial strength Nora Wolters, CFO


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3. Strategy 2025: Focus on profitability Thies Rixen, CEO

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Q&A Thies Rixen, CEO  
Nora Wolters, CFO

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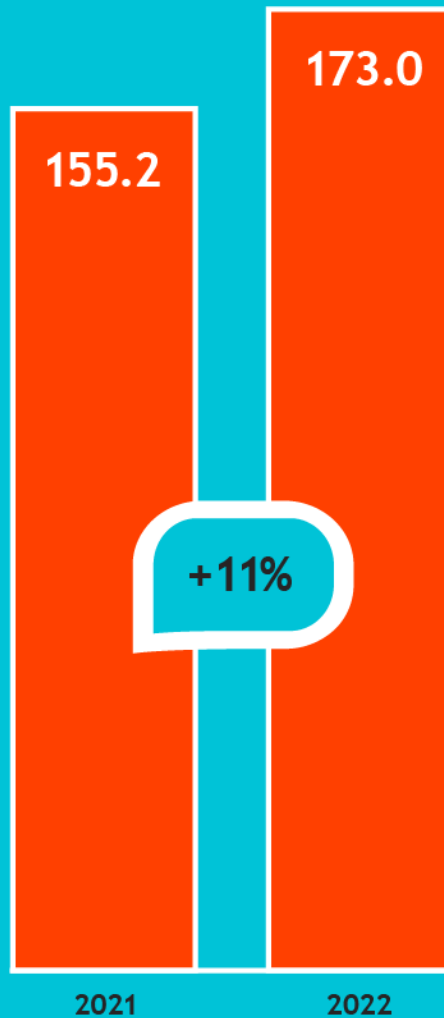


# Review of 2022: Revenue growth in difficult environment



## Revenues

in € million



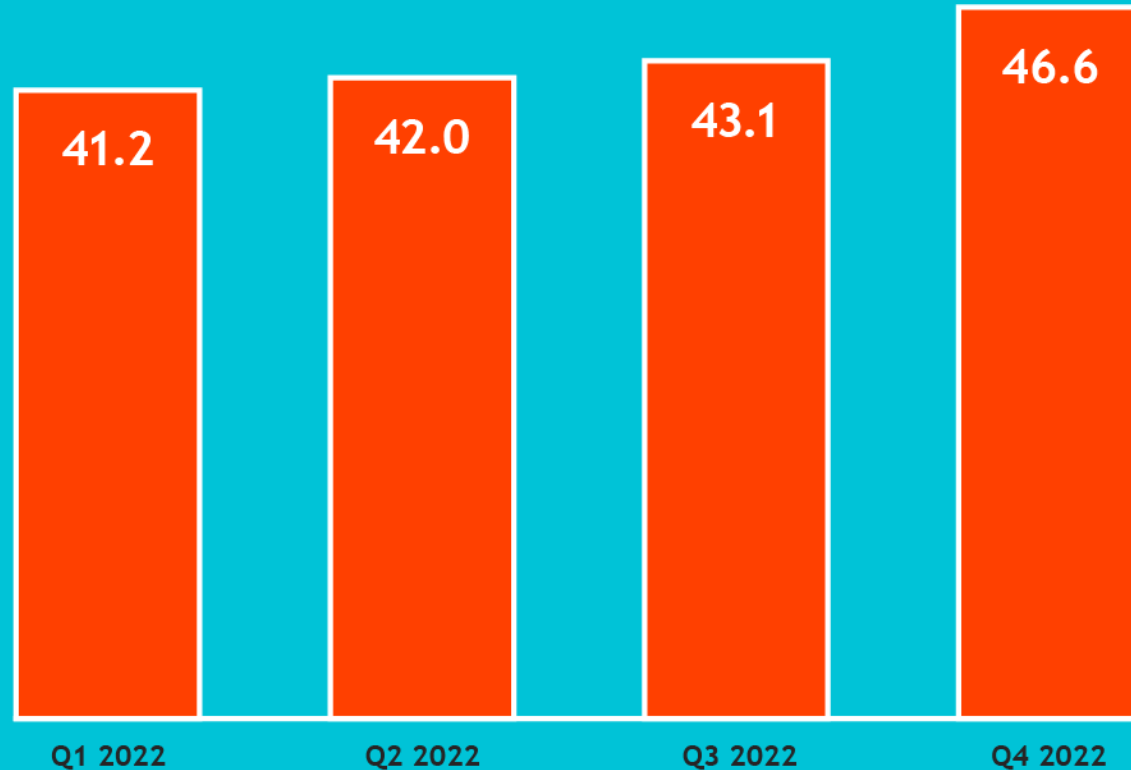
# Double-digit growth in difficult environment

- 76% of 2022 revenues were recurring
- 61% of revenues were generated in focus sectors of retail, logistics, and manufacturing

# Strong second half met nearly all expectations

## Revenues

in € million



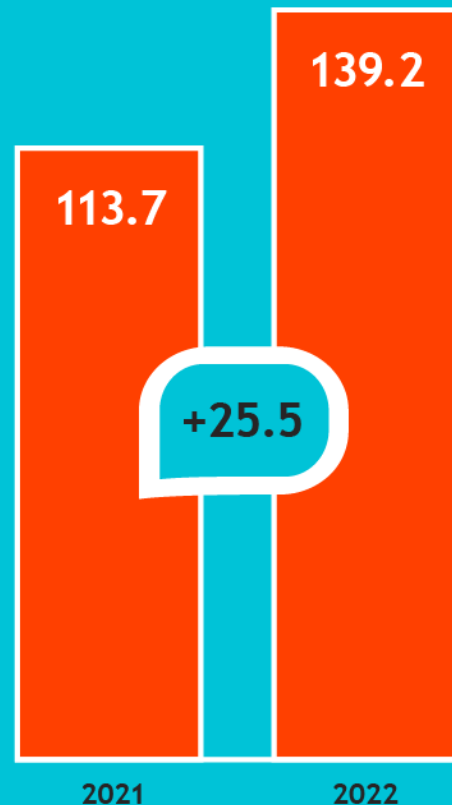
- Q4 revenue growth would have been even higher if individual projects had not been postponed
- Q4 revenues included one-off revenues of € ~2.5 million



# Cloud as key growth driver

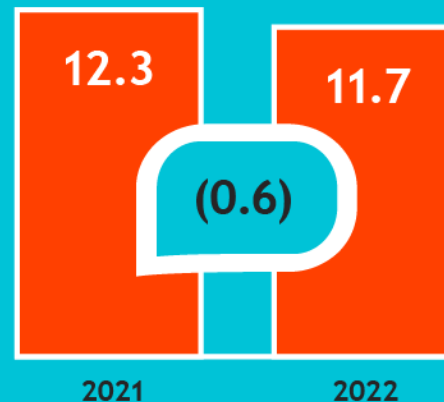
## Revenues

in € million



## Segment contribution

in € million



## Growth drivers

- Consistently high demand for cloud solutions
- Consolidation of productive-data since November 2022

## Temporary cost factors

- Expansion of SaaS business (discontinued in Q4 2022)
- Changed cost structure (especially discontinuation of colocation margin)



# SAP segment nearing turnaround

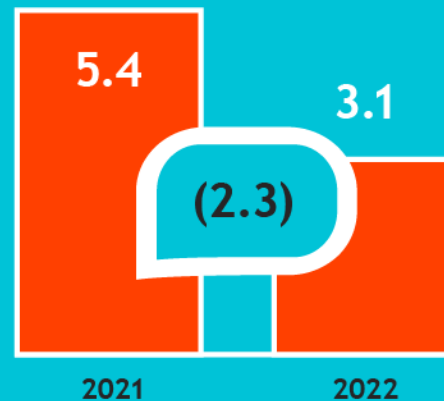
## Revenues

in € million



## Segment contribution

in € million



## Obstacles to growth

- Macroeconomic downturn
  - Sales campaign only launched in H2 2022
- Revenues rose again in Q4 (Q3 2022: € 7.9 million / Q4 2022: € 8.4 million)

## Successful cost management

- Optimisation of internal resources/dispensing with freelancers
- Strict limits on material expenses



# Earnings burdened by impairments

In € million	2021	2022
<b>Revenues</b>	<b>155.2</b>	<b>173.0</b>
Cost of revenues	(124.9)	(145.6)
<b>Gross profit</b>	<b>30.3</b>	<b>27.5</b>
Sales and marketing expenses	(12.6)	(12.6)
<b>Segment contribution</b>	<b>17.7</b>	<b>14.9</b>
General and administrative expenses	(17.2)	(14.9)
Other operating income	36.3	6.0
Other operating expenses	(5.1)	(0.5)
<b>EBITDA</b>	<b>31.7</b>	<b>5.4</b>
Depreciation and amortisation	(16.5)	(16.8)
Impairment losses	-	(20.9)
<b>EBIT</b>	<b>15.2</b>	<b>(32.3)</b>
Financial result	(0.6)	(1.0)
Income taxes	(4.8)	0.2
<b>Consolidated net income</b>	<b>9.8</b>	<b>(33.1)</b>

Successful sale of colocation in Q3 2021 distorts year-on-year comparison:

- **Different cost structure** (plus scanplus effect)
- **Lower other operating result**

**Impairment losses of € 20.9m recognised on goodwill in 2022**

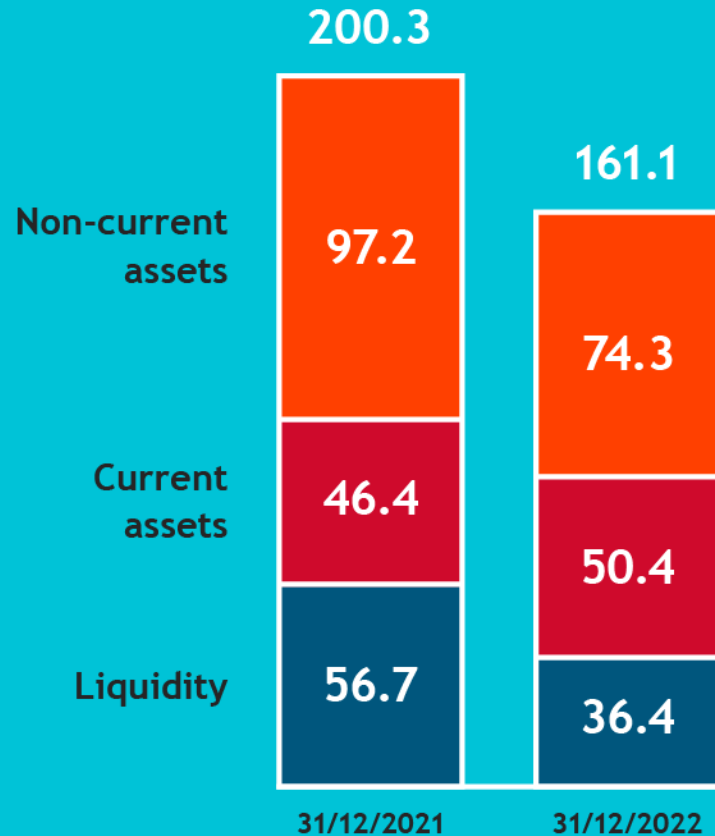
- **Trigger: Amended medium-term planning and higher capitalisation interest rate**



# q.beyond's financing is rock solid

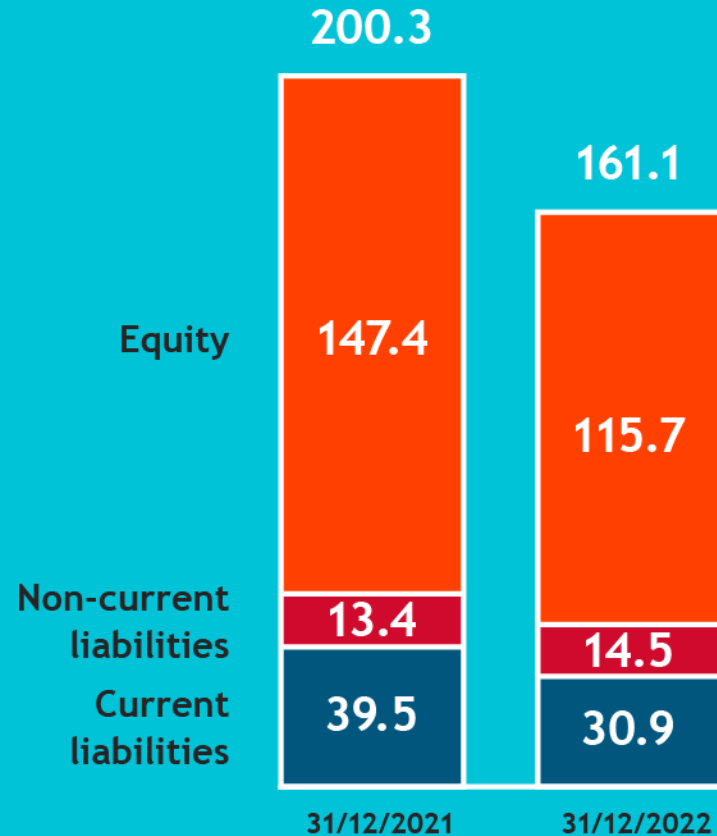
## Total assets

in € million



## Total equity and liabilities

in € million



q.beyond finances its growth from its own resources:

- **Equity ratio of 72%**
- **No bank liabilities**

Change in net liquidity due to

- Expenses for acquisitions (scanplus, productive-data)
- Free cash flow of € -9.7m

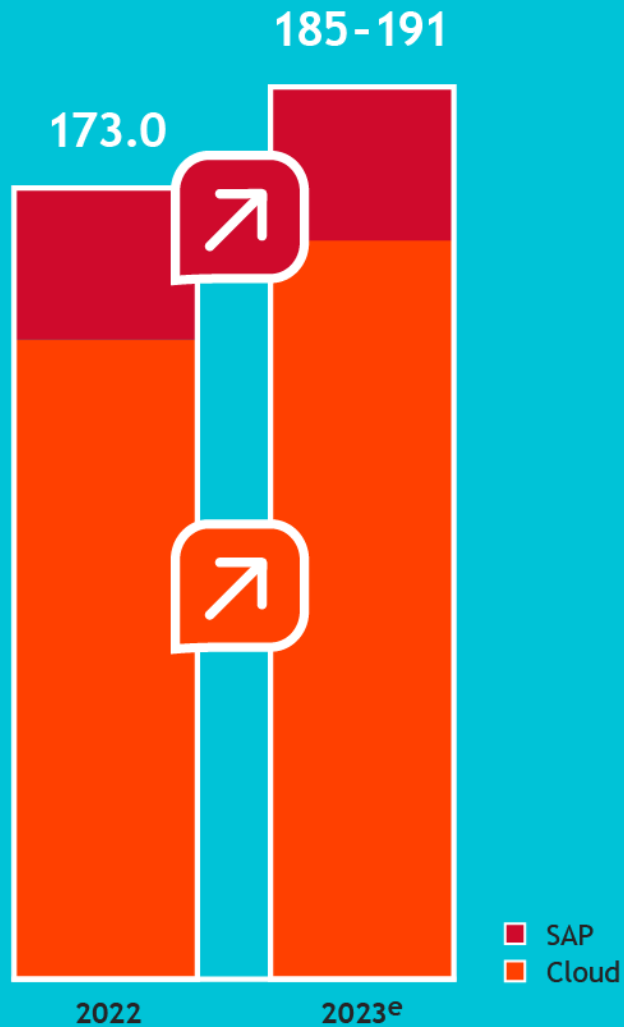




**Outlook for 2023:  
Basis for higher earnings  
and financial strength**

## Revenues

in € million



# 2023: Growth in both segments

## Outlook for 2023 at a glance

- Revenues of € 185 million to € 191 million (2022: € 173.0 million)
  - EBITDA of € 5 million to € 7 million (2022: € 5.4 million)
  - Free cash flow of up to € -8 million (2022: € -9.7 million)
- Focus in 2023 is on the three strategic priorities aimed at **sustainably increasing earnings and financial strength** in subsequent years



## New orders in € million



# Record new orders boost growth momentum

- 51% of orders in past year involved **new customers** or **new projects** with existing customers
- Focus in 2022 was long on expanding business with existing customers
- **Sales campaign** launched in H2 2022; initial success, particularly in SAP business
- Since 2023: Expansion in new business with smaller SMEs based on a two-track sales approach (**effective go-to-market approach**)

## EBITDA

in € million



# EBITDA influenced by one-off factors

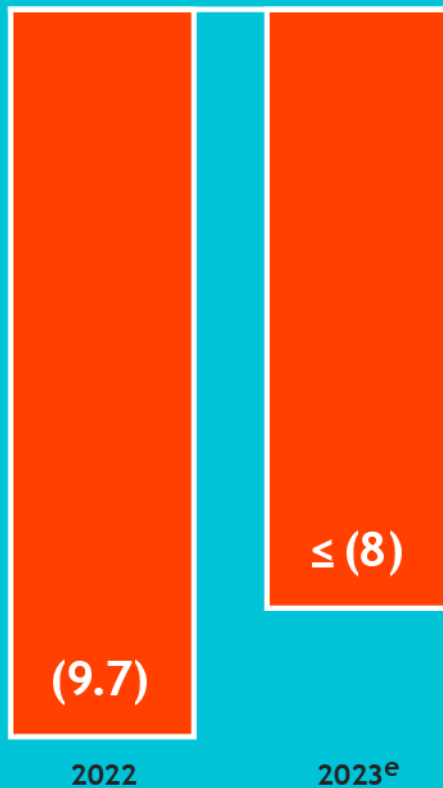
EBITDA forecast includes additional costs of € 5 million to € 7 million for

- Data centre electricity costs
- Significantly higher salaries due to inflation
- Higher licence costs (SAP, Microsoft)

EBITDA forecast also accounts for costs of implementing strategic priorities

- Integrating subsidiaries (“One q.beyond”) requires one-off expenses
- Further development of business model partly involves up-skilling and reskilling measures

## Free cash flow in € million



# Positive free cash flow planned starting 2024

- With net liquidity of € 35.9 million as of 31 December 2022, q.beyond is well financed through to its planned free cash flow break-even  
→ Free cash flow is budgeted to be sustainably positive from 2024 onwards



**Climate neutral  
by 2025**

**CO<sub>2</sub> reduction for  
electricity, business  
travel and vehicles**

**Since 2018:  
100% green electricity  
at data centres**

# Heading for climate neutrality

## Non-financial performance indicators in 2022

- 52% lower CO<sub>2</sub> emissions for electricity, business travel and vehicle fleet compared with 2019
- 58% lower energy consumption compared with 2019

## Measures to reduce CO<sub>2</sub> emissions

- Implementation of EU Code of Conduct for energy-efficient data centres by 2026
- Domestic flights largely avoided
- Conversion of vehicle fleet to electric cars





# Heading for lived diversity

## Equal pay for equal work

- Gender pay gap reviewed and closed in 2022

## Equal opportunities for promotion

- Ambitious targets for share of women in management positions anchored in variable Management Board remuneration

## Promoting women in STEM careers

- q.beyond has been an official partner of the German STEM initiative “MINTvernetz” since 2021





# Strategy 2025: Focus on profitability

# Strategy 2025 strengthens q.beyond's market position

Leading IT services provider  
in Germany

## Our playing field

- IT services+
- German SMEs
- 3 + 2 sectors

## Our priorities

- Focused business model
- Effective go-to-market
- One q.beyond



Revenue growth (CAGR): 7% – 8%



EBITDA margin: 7% – 8%






Positive customer feedback

Completed transformation as foundation



# Strategy 2025 sets clear priorities

## Our priorities

-  **1** Focused business model
-  **2** Effective go-to-market
-  **3** One q.beyond



## Targets:

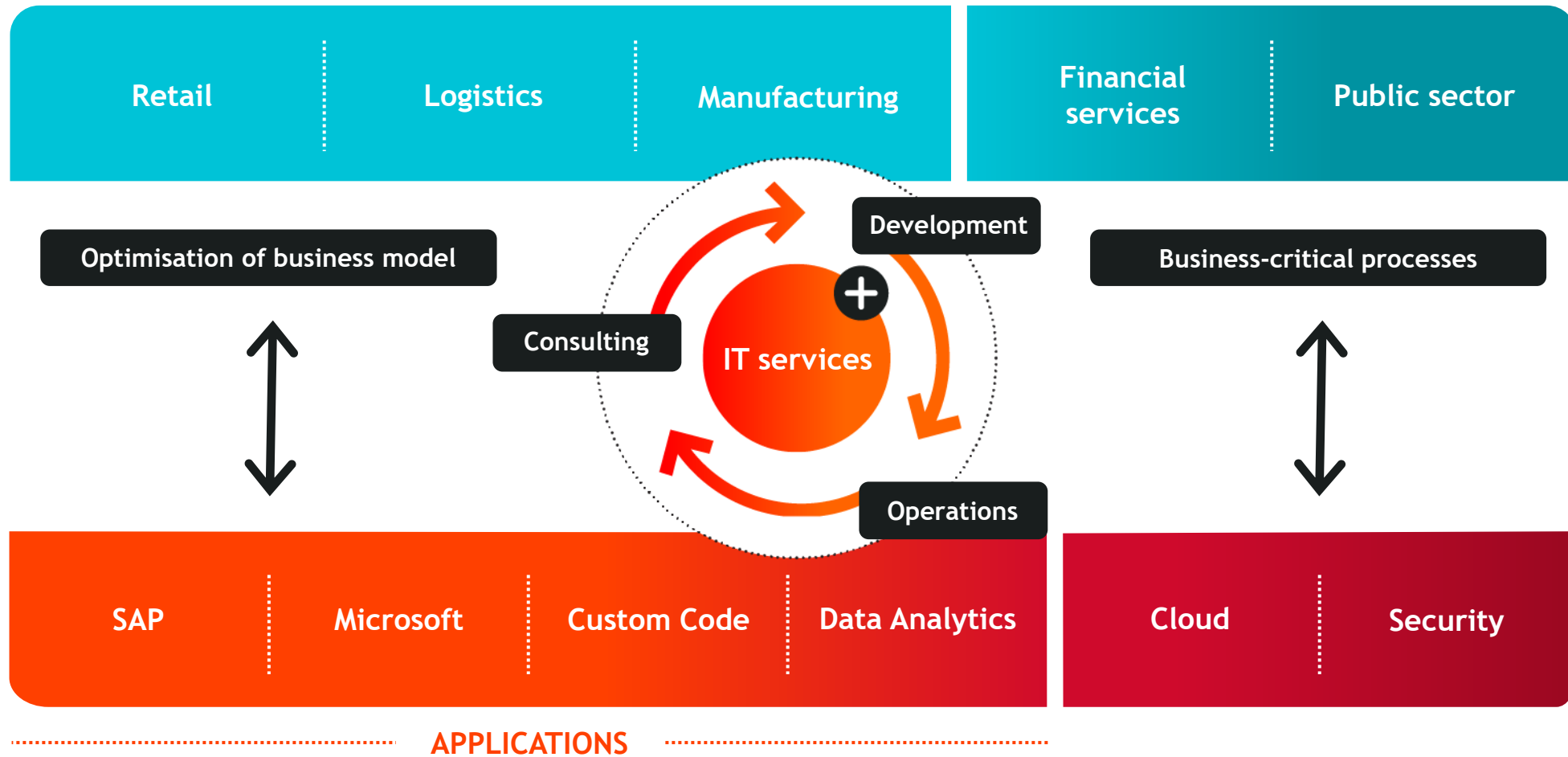
Revenue growth of  
7% – 8% a year

EBITDA margin of 7% – 8%

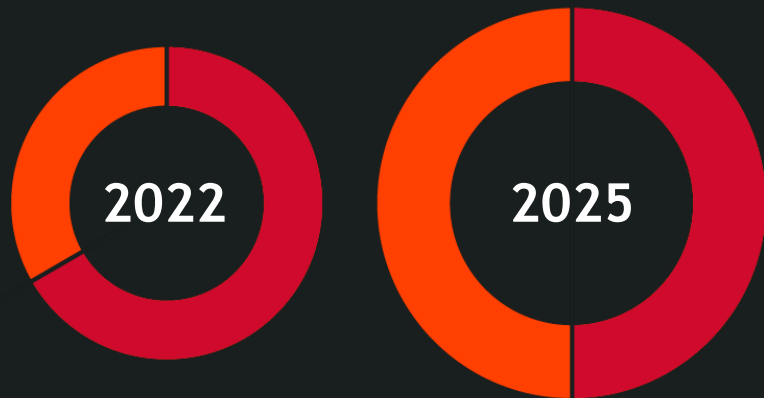
Positive consolidated net  
income starting 2025 and  
sustainably positive free  
cash flow starting 2024



# Focused business model based on strong portfolio



# Expanding consulting and development leads to higher-margin revenues



■ Consulting & development

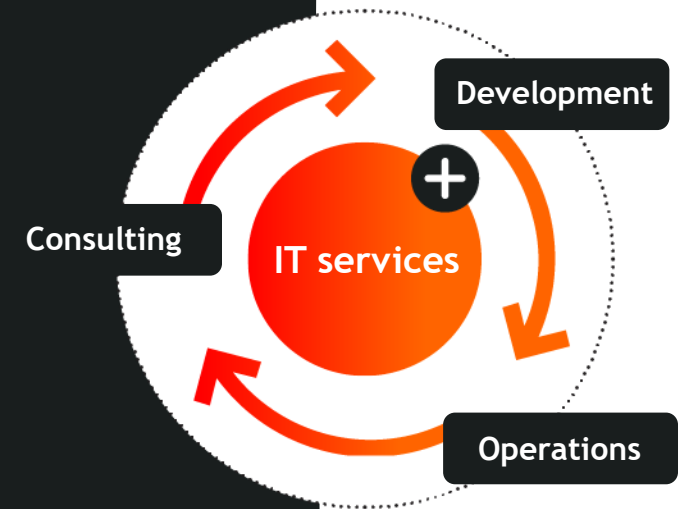
■ Operations

## Future focuses:

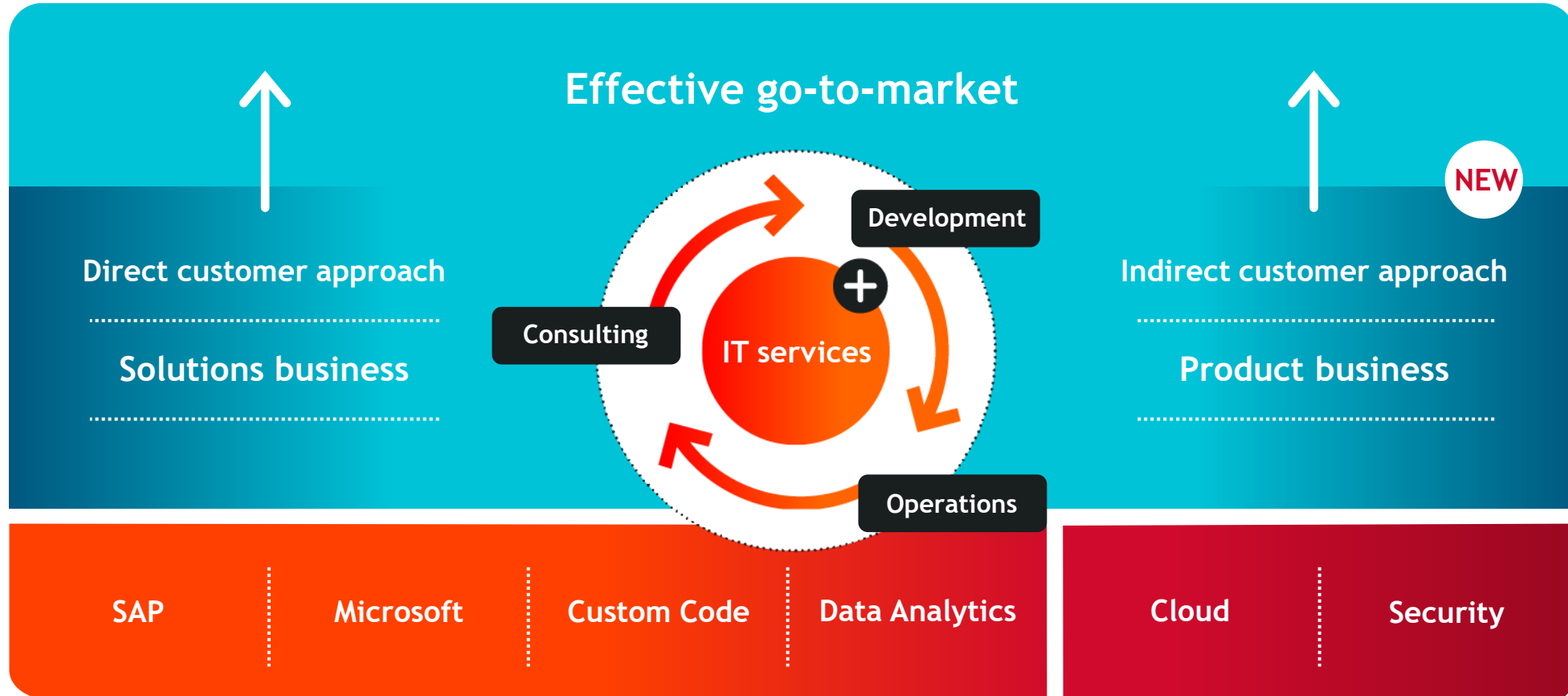
- **Consulting:** Optimising business models with assistance of applications
- **Development** of suitable applications
- **Operations** with these applications

→ Higher margins

→ Consistently high share of recurring revenues



# Effective go-to-market approach ensures great penetration of German SME sector

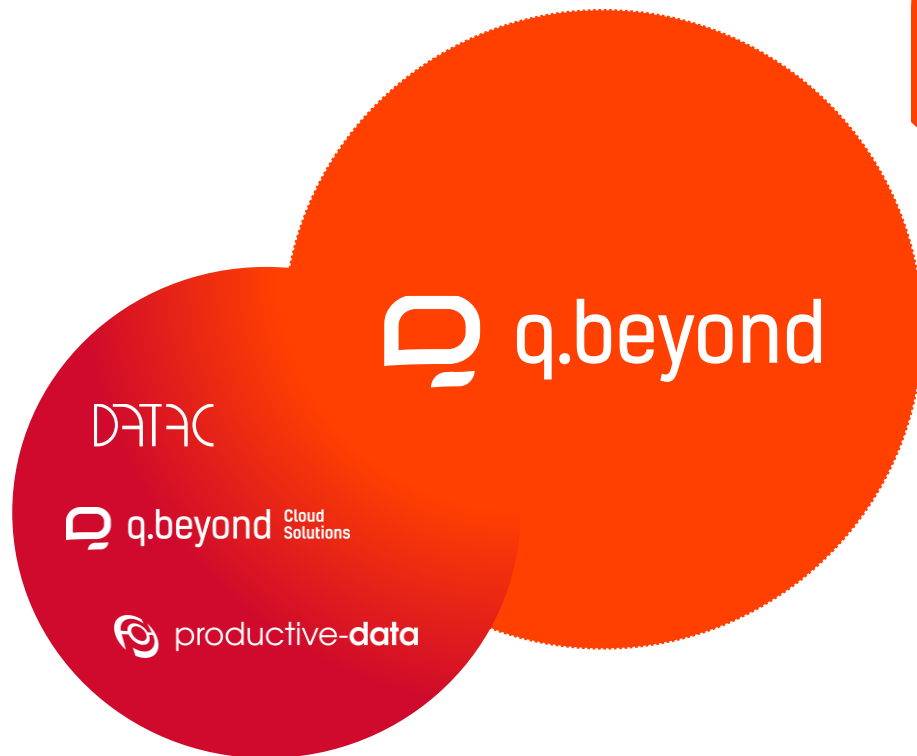


# Improved market approach and lower costs thanks to consistent integration



## One q.beyond

- Uniform market presence
- Uniform go-to-market approach (one sales & portfolio)
- Integrating subsidiaries will enable duplicate structures to be eliminated
- Uniform use of nearshore hubs (target: > 10% of capacity)
- Becoming climate neutral by 2025 and actively living diversity



# Strategy 2025: What q.beyond now aims to achieve

▶ **Focused business model** facilitates more profitable growth

▶ **Two-track go-to-market approach** broadens basis for growth

▶ **One q.beyond** boosts growth forces and reduces costs

▶ **Clear targets:** Plans call for positive free cash flow starting 2024 and positive consolidated net income starting 2025

▶ **Commitment to sustainability:** Climate neutrality by 2025





# Questions & Answers

# Contact

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